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BULLETIN NO. 2003-15

December 18, 2003

TO: ALL HOLDERS AND SERVICERS

SUBJ: REVISED PROCEDURE FOR TITLE DOCUMENTS

Purpose

This circular provides guidance on the revised procedures for title document submissions due to the transition of VA's Property Management activity to a private contractor, Ocwen Federal Bank FSB.

Conveyance of Properties to VA

When VA specifies an amount for credit to the loan account in connection with a liquidation sale, the holder then has the option to convey the property to VA if the property is acquired at the sale. VA instructions giving the specified amount are accompanied by specific instructions on the documents required for VA to determine that title to a property is satisfactory. Some VA offices may not mail or fax the instructions, but publish them on their web sites to reduce the paperwork transmitted. The instructions also give the address of the VA office to which those documents must be sent and the timeframe for delivery of the documents. The VA office receiving the documents forwards the complete title document package to the appropriate VA Regional Counsel's office for review.

Transition to Ocwen

VA will be conducting a staggered, two part transfer of acquired properties to Ocwen over the next few months.

a. First, all properties under the jurisdiction of a particular VA Regional Loan Center (RLC) will be transferred to Ocwen at the same time, although not all RLCs will be transferring properties at the same time. The transition schedule is shown below. Each RLC will provide Ocwen with information on the status of title documents for all properties at the time of transfer. It is important that loan holders or servicers do not send title documents to VA if the documents will not be received at least two business days prior to the scheduled dates for transition to Ocwen. This will allow RLCs time to properly account for documents and provide accurate information to Ocwen.

b. Second, all properties for which VA receives VA Form 26-8903, Notice of Election to Convey, after December 9, 2003, will be immediately transferred to Ocwen for management. While most of these cases will soon fall under the RLC transition schedule shown below, if a title package is ready for one of these cases prior to the date all other properties are transferred to Ocwen, the package should still go to Ocwen.

Future Transmission of Title Documents

Once an RLC has transferred its acquired properties to Ocwen, all future document transmittals will go directly to Ocwen at:

VA REO/Title Review
Ocwen Federal Bank FSB
12650 Ingenuity Drive
Orlando, FL 32826

Documents must be provided no later than 60 days after the termination action, i.e., the foreclosure sale date, the confirmation date when confirmation is required, or the execution date on the deed-in-lieu of foreclosure. For most of the country, this has been the timeframe for many years, but it may now be shorter in a few jurisdictions. Holders/servicers should follow procedures similar to those used in the past if they expect to be unable to provide documents within 60 days. Well in advance of the expiration of the 60 days, holders/servicers must request written approval from Ocwen for an extension. Ocwen has authority to grant up to an additional 30 days for submission.

The required title documents for each state within the jurisdiction of the Houston RLC are provided in RLC Bulletins. These bulletins are available at www.vahouston.com.

Reconveyances

VA presently pays for properties at the time they are conveyed, and then waits for acceptable title documents to be provided. If a holder or servicer is unable to provide acceptable title evidence timely, then VA will reconvey the property and demand reimbursement of the amount paid for the property and all expenses incurred by VA (Ocwen) while the property was in VA custody. This policy will continue with little variation. If title documents are not provided timely to Ocwen, or if VA Regional Counsel determines that title is not acceptable, Ocwen will notify VA's Property Management Oversight Unit (PMOU) in Nashville of the recommended reconveyance, with a copy of the notice to the holder/servicer. If the PMOU concurs with a recommended reconveyance, then Ocwen will obtain a property inspection, prepare a quit claim deed returning the property to the holder, submit the quit claim deed for recording, and write the holder to advise of the reconveyance and the amount due VA. The RLC will prepare and present a Bill of Collection (BOC) for the total of the price VA paid for the property and VA's expenses while the property was in custody, as well as claim adjustments if already paid by VA. If a BOC is not paid timely, VA will offset future payments due the holder/servicer for claims or acquisitions to recover the BOC.

Transition Schedule

The following chart shows each RLC, the States under its jurisdiction, and the scheduled transition date to Ocwen.

RLC	States	Transition Date
St. Paul	IA, IL, KS, MN, MO, NE, ND, SD, WI	12/8/2003
Denver Roanoke	AK, CO, ID, MT, NM, OR, UT, WA, WY DC, KY, MD, VA, WV	12/15/2003
Cleveland Phoenix	DE, IN, MI, NJ, OH, PA AZ, CA, HI, NV	12/22/2003
Houston	AR, LA, OK, TX	12/29/03
Manchester St. Petersburg	CT, MA, ME, NH, NY, RI, VT AL, FL, MS, PR	1/5/2004
Atlanta	GA, NC, SC, TN	1/12/04

Summary

Title documents must continue to be sent timely to the appropriate VA office, unless the documents will not be received at least two business days prior to the transition date shown above, or if VA receives the VA Form 26-8903 after December 9, 2003. After those dates, title documents must be sent directly to Ocwen, who will monitor for prompt receipt, and refer to VA Regional Counsel for review.

Holders/servicers will receive a copy of any notice from Ocwen to VA's PMOU that it intends to reconvey, and when the property is reconveyed, the RLC will demand reimbursement for VA's

acquisition and management costs. Any bill not paid timely will result in offset of future claim and/or acquisition payments.

Questions And Comments

Please e-mail questions and comments concerning this bulletin to **LGYHGALE@vba.va.gov**.

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Loan Guaranty Officer